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SIPDIS

FROM U.S. MISSION IN ROME

USAID ADDIS ABABA FOR AMBASSADOR BRAZEAL AND USAID DIRECTOR

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E.O. 12958: N/A

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SUBJECT: U.S. GRAIN MILLING EXECUTIVES DEBRIEF AMBASSADOR
HALL ON FOOD AID-RELATED TRIP TO ETHIOPIA

Summary

1. John Gillcrist (Barlett Processing Companies, Kansas City, Missouri), Guy Shoemaker (Horizon Milling/Cargill, Wayzata, Minnesota), and Fred Luckey (Bunge Milling, Saint Louis, Missouri) met with Ambassador Hall on December 17 to discuss their just completed trip to review U.S.-supported food aid operations in Ethiopia. The group was most impressed with the dedication and professionalism of USAID field offices and implementing partners including WFP, World Vision and Catholic Relief Services, whose projects they visited. The team members expressed anguish and frustration at commodity pipeline breaks that they attribute to a "flawed" USG procurement process which bunches development food aid contracting to the last few months of the USG fiscal year - which in turn strains milling capacity and drives up USG costs. They suggested that the USDA/USAID Export Food Aid Conference VI in Kansas City (April 2004) be a venue for convening a working group to directly address this problem. End Summary.

Background

2. John Gillcrist (Barlett Processing Companies, Kansas City, Missouri), Guy Shoemaker (Horizon Milling/Cargill, Wayzata, Minnesota), and Fred Luckey (Bunge Milling, Saint Louis, Missouri) met with Ambassador Hall on December 17 to discuss their just completed trip to review U.S.-supported food aid operations in Ethiopia. They were accompanied by Paul Green, North American Millers Association (NAMA) Export Consultant, based in Washington, D.C. They were en route back to the United States after several intense days in Ethiopia visiting food aid projects being implemented by a number of USG-funded partners including WFP, World Vision, and Catholic Relief Services. The group was most impressed with the dedication and professionalism of our implementing partners, and gave high marks to USAID's Food Aid Office in Addis Ababa and REDSO/Nairobi who coordinated their Ethiopia visit.

Anguish and frustration - "How can we fix the USG food aid procurement system?"

3. The U.S. corporate executives were unanimous in expressing their anguish and frustration in hearing the implementing partners in Ethiopia describe how frequent pipeline breaks were impeding their ability to consistently deliver commodities (particularly Corn Soy Blend) to vulnerable populations. They explained how invariably U.S. milling firms went through the first six months of every USG fiscal year (Oct.-March) with hardly any orders for processed food aid. During the last few months of the fiscal year, they are in turn overwhelmed with orders - which strains milling capacity and drives up costs to the USG (i.e., mills are pressed into working overtime, on holidays, etc). What they seek is a process where processed commodity orders are placed throughout the fiscal year, in lieu of being bunched up during the final few months.

4. They suggested that the USDA/USAID-sponsored Export Food Aid Conference VI (next scheduled for April 2004) might provide an ideal venue for convening a working group (USDA/FSA, USDA/FAS, USAID/FFP and procurement officers from the major NGOs and WFP) to directly address/resolve this

problem. Ambassador Hall concurred with this worthwhile suggestion.

Comment

15. US Mission is grateful to NAMA for arranging the Ethiopia

visit for three key U.S. corporate executives. They bring back to the United States a highly positive view of both the dedication and professionalism of our implementing partners, USAID's Food Aid Office in Addis Ababa and REDSO/Nairobi.

Moreo
ver, the U.S. corporate executives were clearly impressed (amazed) by the clear and extensive impact of our food aid programs in Ethiopia and how truly grateful vulnerable populations were to the American people for this assistance. They also clearly saw the lethal combination of hunger and HIV/AIDS in Ethiopia and the vital importance of good nutrition in addressing this terrible pandemic. Further visits of this nature are highly encouraged. Hall

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